

Budget Documents

The application requires two budget documents to describe the costs of a proposed project for up to three years:

- IMLS Budget Form
- Budget Justification

These instructions also apply to an organization that will function as a partner in undertaking grant activities.

IMLS Budget Form

The Year 1 columns should include costs that begin on the project start date (as listed on 6c of the SF-424S) and end 12 months later. If the project timeline exceeds one year, list the costs for the next 12 months in the Year 2 columns. If the project extends beyond two years, list the costs for the next 12 months in the Year 3 columns.

The budget should include the project costs that will be charged to grant funds as well as those that will be supported by cost sharing. In-kind contributions to cost sharing may include the value of services (e.g. donated volunteer or consultant time) or equipment donated to the project. All the items listed, whether supported by grant funds or cost share, must be necessary to accomplish project objectives, allowable according to the applicable federal cost principles, auditable, and incurred during the grant period. Charges to the project for items such as salaries, fringe benefits, travel, and contractual services must conform to the written policies and established practices of your organization. You must report all revenues generated with project funds during the grant period as program income and apply it to your cost share.

1. Salaries and Wages: Include both temporary and permanent staff as well as volunteers engaged in project activities. Document the method of cost computation (e.g. as percentage of a person's time devoted to the project, a number of days, a number of hours) in your Budget Justification.

2. Fringe Benefits: Fringe benefits may include contributions for Social Security, employee insurance, pension plans, etc. Limit direct cost fringe benefits to those not included in your indirect cost pool. Fringe benefits may be claimed only on the portion of Salaries and Wages identified for this project.

3. Consultant Fees: List the individuals or groups who will provide consulting services for the project and their fees. Explain the method of computation for the fees in your Budget Justification.

4. Travel: You must use the lowest available commercial fares for coach or equivalent accommodations, and you must use U.S. flag air carriers for foreign travel when such services are available, in accordance with applicable U.S. legal requirements. Explain the method of cost computation, including subsistence and transportation, in your Budget Justification.

5. Supplies and Materials: List the costs of supplies and materials purchased specifically for the proposed project.

6. Services: List the costs of project activities to be undertaken by a third-party contractor, including a formal partner, under this budget category as a single line item that shows the amount that will be charged to IMLS grant funds and the cost sharing that will be contributed by the third party. Itemize these costs in the Budget Justification

7. Student Support: Ignore this section. It does not apply to this program.

8. Other Costs: Use this section for costs that are not assignable to other categories, such as internship expenses and equipment purchases. Permanent equipment is defined as nonexpendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more. You may list equipment costing less than \$5,000 under Supplies and Materials.

Please do not use the "Other Costs" section to list items that did not fit in the number of lines allotted for another section. If you need more lines for a specific section, summarize the information in the IMLS Budget Form and explain it further in the Budget Justification.

9. Total Direct Costs: These amounts will total automatically.

10. Indirect Costs: Ignore this section, it does not apply to this program.

11. Total Project Costs: These amounts will total automatically.

IMLS Budget Form:

[Adobe® PDF \(212KB\)](#)

Cost Share

Cost share is that portion of the project costs that is not charged to IMLS funds. These costs may be supported by a grantee's cash outlays; contribution of property and services; and in-kind contributions, such as staff or volunteer time that support project activities.

All listed expenses, including cost sharing, must be incurred during the grant period. Federal funds may not be used for cost sharing. All instructions regarding use of funds apply to both requested IMLS funds and cost sharing.

Budget Justification

Use the Budget Justification to explain all the costs included in your IMLS Budget Form. Address the purpose for each expense and explain the basis or method of cost computation used to determine each dollar amount. Itemize and explain any costs that you consolidated and summarized in the IMLS Budget Form. Follow the format of the IMLS Budget Form's section headings.

We encourage you to contribute as cost share the salaries of permanent staff to be employed on a project in proportion to the amount of time they will spend on the project. If you are requesting IMLS funding for salaries of permanent staff, explain the reason for the request and how the regular duties of these individuals will be performed during the grant period. Explain the role of any outside consultants and third-party vendors to be employed on the project and how each was identified and selected. Document costs for third-party service providers through bids or similar means.

List the cost of project activities to be undertaken by a third-party contractor or a partner under "Services" on the IMLS Budget Form as a single line item that shows the amount that will be charged to IMLS grant funds and the cost sharing that will be provided by the third party. Include a complete itemization of these costs as part of the Budget Justification. If there is more than one contractor, list the cost of each contract separately on the IMLS Budget Form and include an itemization as part of the Budget Justification.